



NCRECOVERY.GOV
Office of Economic Recovery & Investment

American Recovery and Reinvestment Act

... at work in North Carolina



Governor Beverly Perdue



How does ARRA come to the state?

- Tax Law Changes (Individuals & Businesses) (\$288 Billion of \$787 Billion)
- Direct Payment to Individuals- Safety Net
- State Budget Stabilization
- Formula Program Allocation
- Federal Agency Supplemental Budgets
- Competitive Grants: Public & Private



N. C. / ARRA

Direct Paymts to Individuals	\$1.7 Billion
Stabilize State Budget	\$3.5 Billion

Formula Allocations	\$2.5 Billion
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Federal Agencies Supplemental	\$.9 Billion
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Total-to-date	\$8.6 Billion
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Tax Law Changes

Individuals

- \$800 Tax Credit
- Earned Income Tax Extension
- First-time Homebuyers
- Tax Credit for Energy Efficiency Improvements
- Sales Tax Deduction for New Cars

Businesses

- Depreciation Schedule
- More Flexible Schedule for Operating Loss

New Bond Financing

- Qualified School Construction Bonds- Tax Credit
- Build America Bonds
- Recovery Zone Bonds
- Interest Subsidy Payments



Direct Payments

- **Supplemental Nutrition Program**
+14%
- **Social Security Recipients**
One -Time Payment
 - **Pell Grants**
+10%
- **Increased Unemployment Benefits**



State Budget Stabilization

- **Sources**

Medicaid Enhanced Federal Match

\$2,069,000,000

Education Stabilization

\$1,162,000,000

General Government Stabilization

259,000,000

\$

- **Allocations**

FY 08 - 09

\$1,069,000,000

FY 09 - 10

\$1,388,000,000

FY 10 - 11

\$1,033,000,000

\$3,490,000,000

FY 11 – 12

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Formula Programs

44 Categories

Highways and Bridges	\$735 Million	
Transit	103.8	
Education Title I/IDEA	675	
Clean Water/Drinking Water	137.1	
Energy	275	
Housing & Community Development	250	
Workforce Investment	79.9	
Child Care	67.5	
Criminal Justice	40.5	
Employment Services	69.7	
Human Services		85.2



Distribution Factors- State Formula Programs

- Some Categories have Direct Allocation to Larger Local Governments
- Transportation- N. C. Equity Formula
- Drinking Water/Clean Water- Applications
- Education- Title I- Low Income Student Percentages
- Federal Agencies- Location of Federal Facilities



Next Steps

- **Transportation- Highways**
325 Projects
146 Let to Contract
\$436 Million Under Contract
- **Transit- \$103 Million Awarded to:**
21 Urban Systems
63 Rural Systems
- **Drinking Water/Clean Water**
115 Projects Approved
65 Under Contract by Mid-Oct.
Feb. 18, 2010- All Must be Under Contract



Cash Flow 12/7/09

Highways and Bridges \$156.2 Million

Added Unemployment Benefits

\$452.7 Million

State Total

\$2.96 Billion



OERI Status Report

- Part of OERI Guidebook Introduction, to provide an overview of direct allocation funding
- Accounts for \$6,029,072,516 of ARRA funds
- Tracks 4 main categories of ARRA funding:
 - State Fiscal Stabilization Fund
 - Formula Programs
 - Direct Allocations to Local Governments
 - Grant Allocations to State Agencies



OERI Status Report

- By-category breakdown of Amount Allocated and Amount committed as of 12/4 (in millions, updated semi-weekly):
 - State Fiscal Stabilization Funds
 - Allocated: \$3,476 Committed: \$3,476
 - Targeted Formula Programs
 - Allocated: \$2,363 Committed: \$1,633
 - Direct allocations to Local Government.
 - Allocated: \$59 Committed: \$49
 - Grants to State Agencies
 - Allocated: \$127 Committed: \$11
 - Total:
 - Allocated: \$6,026 Committed: \$5,170



Compliance Reporting

- Quarterly Jobs Reporting to Federal Government
- Bimonthly GAO Report to Congress
- GAO/OIG Visitations
- State Oversight
- Web Site
- Fraud & Waste Reporting
- Recovery Accountability & Transparency Board



ARRA Emergency Rulemaking

- New Authority for Recovery Act Rulemaking in Senate Bill 960
- New Section N.C.G.S. 150B-21.1B established modified Emergency Rulemaking procedure
- Procedure for Notice, Public Hearing, Objections, and Review
- Rules are time-limited, unless full regular rulemaking process is followed
- As of 12/9 N.C.G.S. 150B-21.1B has been used 3 times



- **North Carolina Commission for the Blind:
emergency rules effective 9/23/09**
 - The Commission received ARRA funds to expand services to assist its consumers in achieving successful employment. The Commission filed emergency and temporary rules to exempt certain services from the requirement of meeting an economic needs test in order that more individuals would be eligible to receive these services. The economic needs test must not be met by individuals seeking services including (1) books and other training materials required for post secondary training and (2) rehabilitation technology, including telecommunications, sensory aids, and other technological aids and devices for those consumers who have an Individualized Plan for Employment, who are working toward an employment goal that requires specified technology to attain, regain, or maintain employment and who have the capacity to use the equipment. These rules have completed the emergency and temporary rulemaking procedures and the temporary rules took effect 11/16/2009.



- **NC Division of Voc Rehabilitation Services:
emergency rules effective 10/27/09**

- The Division received ARRA funds to expand services to assist its consumers in achieving successful employment. The Division filed emergency and temporary rules to exempt certain services from the requirement of meeting a financial needs test in order that more individuals would be eligible for these services under this expanded funding. The Division exempted time-limited, Division-sponsored internships with employers as part of an individualized employment plan. These internships must be paid at least minimum wage and last for no more than four months without specific approval otherwise. In addition, personal and vocational adjustment training and on the job training that does not conflict with federal and state wage and hour requirements are also exempt from the financial needs test specified in Rule 0.0206 of Subchapter 89C. The temporary rules were filed with the Codifier 11/24/09 and are expected to be entered into the NC Administrative Code soon.



- **NC Department of Commerce: emergency rules effective 10/30/09**

- The Department filed emergency and temporary rules regarding the allocation of authority and use of Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds as allocated by the U.S. Treasury under the ARRA. The notice of intent to use the allocated authority for designated projects is due by December 15, 2009 to the State or the allocation is deemed waived to the State for reallocation. Therefore, rules regarding the bond authority allocation, proper uses for each type of bond, and the process for issuing these bonds need to occur on an expedited timetable. These emergency and temporary rules provide a framework in which the allocated authority may be claimed and the bonds may be issued and used for projects in these designated municipalities and counties. The temporary rules are expected to be filed with the Codifier early next week



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